

Location: via Teams

Meeting ID: 286 966 538 619 **Passcode:** 528oxQ

Committee Members: (20 members, 11 = Quorum)

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| x Lekha Fernandes, OMWBE, Chair | x Santosh Kuruvilla, Exeltech, Co-Chair |
| x Irene Reyes, Excel Supply Company, Co-Chair | x Cathy Robinson, University of WA |
| Frank Boykin, MBDA | x John Salinas II, Specialty Contractors |
| Jackie Bayne, WSDOT OEO | x Young Sang Song, Song Consulting |
| x Stephanie Caldwell, Absher Construction | Jerry Vanderwood, (Proxy for Cheryl Stewart, Inland Northwest AGC) |
| Bobby Forch, CPARB DBE Representative | x Chip Tull, Hoffman Construction |
| x Shelly Henderson, Mukilteo School Dist. | x Charles Wilson, DES |
| Aleanna Kondelis, Hill International | x Olivia Yang, WA State University |
| Keith Michel, Forma Construction | x Janice Zahn, Port of Seattle |
| x Brenda Nnambi, Sound Transit | Matt Rasmussen, Benton County |

Guests and Stakeholders:

- | | |
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| Monica Acevedo-Soto | x Claire Hornacek, MFA |
| Shari Bartell, DES | x Reasa Pearson, LNI |
| Jennifer Brower, Port of Vancouver | Rachael Pease, BNBuilders, Vendor Diversity Director |
| Michelle Fa'amoe | Cathy Ridley |
| x Monique Martinez, DES | x Steve Russo, UMC |
| Curt Gimmestad, Absher Construction | Vicky Schiantarelli, Schiantarelli & Associates |
| x Maja Sutton Huff, WSU, Higher education | x Kara Skinner, Integrity Surety |
| x Tennille Johnson, OMWBE | Robin Strom, Anderson Construction |
| Bryan Kelley, Howard S. Wright | Ethan Swenson, OMWBE |
| Denia Lanza-Campos | Jerry Vanderwood, AGC |
| Patrick McQueen, PCL Construction | Marissa Woodard-Nave, Forma Construction |
| x Cindy Magruder, UW | Carrie Whitton, Forma Construction |
| Edwina Martin-Arnold | Edson Zavala, Sound Transit |
| x Bill Frare, DES | Erin Frasier, WA State Building & Construction Trades Council |

The meeting began at 1:36 p.m.

Welcome & Introductions

Chair Lekha Fernandes welcomed everyone and thanked them for attending the meeting. Chair Fernandes invited new folks on the call to introduce themselves.

Approve Agenda

Co-Chair Irene Reyes motioned to approve the agenda, seconded by Olivia Yang. The motion passed with a voice vote.

Approve Minutes from 10/16/2024

Janice Zahn motioned to approve the minutes from 10/16/2024, seconded by Cathy Robinson. The motion passed with a voice vote. Chair Fernandes and Stephanie Caldwell abstained because they were not present at that meeting.

Workgroup Report-Outs

Retainage Workgroup

Chair Fernandes requested an update on the retainage workgroup. Maja Sutton Huff and Cindy Magruder are leading the group but are still seeking additional members. Kara Skinner has joined the group, and Angela Peterson from the Port of Seattle has expressed interest in participating. The group's initial discussions have focused on identifying challenges related to retention release practices,

Minutes by Claire Hornacek, MFA, edited by Monique Martinez or Talia Baker

relevant legislation, and best practices. They plan to review current practices, reconnect during the next meeting, and begin developing a project plan.

Regarding stakeholder representation, Co-Chair Kuruvilla noted the absence of design professionals in the group and offered to find architects or engineers to participate. Chip Tull suggested adding Bill Frare, who has expressed interest and has been invited to join. Maja and Cindy encouraged stakeholders to share feedback even if they are unable to attend meetings. Chair Fernandes suggested including representatives from Labor to provide additional perspectives.

Change Order Workgroup

Chair Fernandes noted that the change order workgroup recently met on November 18. Co-Chair Reyes and Steve Russo are leading the group. Discussions have focused on identifying the various types of change orders and determining whether policy, process, or legislative changes are needed. The group is also working to ensure broad stakeholder involvement, including owners, contractors, trade partners, and specialty contractors.

The group has added new members, including Shelly Henderson, Mike Pellitteri, Bill Frare, and Cindy Magruder, alongside the original members: Co-Chair Reyes, Steve Russo, Maja Sutton Huff, and Chip Tull. Co-Chair Kuruvilla will work to find design professionals to join the group. Meetings are currently scheduled for the second and fourth Mondays of each month from 4:00 to 5:00 p.m., but Monique will send out a survey to confirm availability. Additionally, Co-Chair Reyes has been in contact with Labor and Industries representatives to ensure their involvement.

Next Steps

The retainage workgroup will focus on identifying additional members, particularly from the design community, and continue developing its project plan while addressing scheduling issues. The change order workgroup will finalize its meeting schedule, ensure comprehensive stakeholder inclusion, and work to add design professionals and other key representatives. Both groups will maintain open channels for feedback from non-participants and regularly assess their stakeholder lists for necessary adjustments.

Chair Fernandes emphasized the importance of balanced representation in both workgroups and encouraged members to bring up additional participants during BE/DBI meetings.

Project Plan/Scope Exercise

Chair Fernandes transitioned the discussion to the project plan and scope exercise, starting with scope. She emphasized the importance of identifying deliverables early to inform the development of a project plan. This approach would ensure that, if the group decides to propose legislation to CPARB, there will be enough time before the next legislative session to prepare. Even if no legislation is proposed, having a project plan would provide clear deliverables and an end date. She suggested a scoping exercise to determine what tasks fall within or outside the committee's scope. Chair Fernandes called out specific items and asked the group to discuss and confirm whether they were in or out of scope.

When asked whether reviewing and understanding current laws related to change orders and retainage was in scope, the group confirmed it was.

Next, Chair Fernandes inquired about developing a best practices document for retainage and change orders, which would outline policies and processes working well under current law. Olivia mentioned a previous discussion highlighting the delegation of authority as an example. She noted that, in some instances, approval delays occur when authority isn't delegated to project teams for certain thresholds. For example, a \$50,000 change order may require waiting for a school board meeting, even though the project team could approve smaller amounts. Olivia pointed out that while this issue isn't legislative, it could impact project efficiency and should be documented.

Chair Fernandes agreed, emphasizing the need to understand both legislative frameworks and delegation policies impacting owners. Cindy added that if one of the committee's goals is to increase turnaround times, statutory changes might necessitate owners adjusting their processes. This could include meeting more frequently or delegating authority to align with new statutory requirements.

The discussion shifted to whether stakeholder surveys should be included in the scope. Chair Fernandes emphasized the importance of incorporating stakeholder input but sought confirmation from the group due to potential timeline constraints. Co-Chair Reyes

supported the inclusion of surveys, highlighting the need for well-planned, concise approaches to avoid overburdening small and minority-owned businesses. She advocated for strategic surveying methods and in-person engagement with diverse stakeholders.

Regarding legislative changes, Olivia stressed the importance of allowing flexibility to propose legislation after best practices are reviewed. She suggested targeting the supplemental session in 2026, meaning the committee would need to present recommendations to CPARB by September 2025. Olivia proposed an aggressive timeline, aiming to finalize best practices by June 1, 2025, followed by stakeholder vetting during the summer months. Chair Fernandes agreed, noting the need for milestones to ensure timely progress.

Co-Chair Reyes introduced the idea of a universal form or process to enhance accountability and measure results. She argued that a standardized approach would simplify understanding and improve alignment among owners, GCs, and subcontractors. Olivia agreed with the aspiration but cautioned against stalling progress to achieve uniformity. Instead, she suggested focusing on cultural shifts that prioritize prompt approvals and collaboration.

The conversation turned to staffing levels at agencies like Labor and Industry and their role in addressing challenges. Chip advocated for flexibility, allowing subcommittees to identify barriers before deciding if staffing issues warrant inclusion in the scope. John Salinas II highlighted the adverse effects of inefficiencies on small businesses, urging government entities to prioritize timely resolutions. Olivia echoed this sentiment, emphasizing the unintended consequences of bureaucratic delays on small and diverse businesses.

Chair Fernandes summarized the project plan's overarching goal: understanding the legislative and policy landscape, analyzing best practices, engaging stakeholders, and determining whether to propose legislation. She outlined an 11-month timeline, with the objective of voting on recommendations by October 2025. Chip suggested including a review of compliance with existing statutory requirements, which Fernandes incorporated into the plan.

For next steps, Chair Fernandes requested assistance in developing a detailed project plan with milestones. Co-Chair Kuruvilla agreed to help. The committee will vote on the project plan at the December meeting, where workgroups will also present the statutory landscape for change orders and retainage. Additionally, the stakeholder list will be reviewed and finalized. Fernandes emphasized the importance of ensuring quorum and committed to confirming member participation before the next meeting.

The meeting concluded with plans to circulate a Doodle poll to schedule workgroup meetings. Monique agreed to send the poll and follow up on contact information as needed. The committee will reconvene in December to finalize the project plan and address outstanding agenda items.

The meeting was adjourned at 2:27 p.m.

Next Meeting Agenda

- Welcome & Introductions
- Review & Approve Agenda and Minutes from 11/20/2024
- Vote on the project plan
- Statutory landscape of change orders and retainage presentations
- BE/DBI Committee membership revisions
- Next Meeting Agenda
- Adjourn

Action Items

1. Chair Fernandes

- a. Develop a project timeline with milestones to keep the committee on track.
- b. Share the proposed timeline for review and approval at the December meeting.

2. All Committee Members

- a. Study and understand the statutory landscape regarding change orders and retainage.
- b. Be prepared to present findings at the next meeting.
- c. Ensure subcommittee members are committed and available for participation.

3. Monique Martinez

- a. Prepare and distribute a scheduling survey (Doodle poll) for the committee.
- b. Ensure all members' contact information is complete; reach out to Olivia or group leads if additional information is needed.
- c. Target date for survey distribution: Wednesday, November 21.